REMARKS

Claims 1-21, as amended, remain herein.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached pages are captioned "Version with Markings to Show Changes Made".

Claims 1-6, 8 and 10-19 have been amended more clearly to describe applicants' invention. Regarding claim 1, see specification, page 20, second full paragraph, describing the conductor being in close contact to the external peripheral surface of the capacitor element; see specification, page 10, second full paragraph, describing a plurality of terminals on an external peripheral surface of the composite component, as shown in Fig. 4A.

Claims 20 and 21 have been added, each reciting a limitation deleted from claims 10 and 19, respectively.

1. Objections were stated to the Abstract. The original Abstract has been replaced with a substitute Abstract on an attached page.

2. Claims 1-10 were rejected under 35 U.S.C. §112, second paragraph. Claim 1 has been amended to remove alternative recitation. Antecedent basis in claim 1 is now clear. Claims 3, 6 and 10 have been amended to remove the phrase "comprising said capacitor." Claim 5 has been amended to clarify the connection between the spiral conductor strip and the plurality of terminals.

Reconsideration and withdrawal of this rejection are respectfully requested.

3. Claims 1-19 were rejected under 35 U.S.C. §102(b) over Takahashi et al. U.S. Patent 4,322,698.

The presently claimed composite component comprises a coil conductor that is spirally formed on an external peripheral surface of an insulation body or on a magnetic body. This arrangement and corresponding method are nowhere disclosed or suggested in the cited reference.

Takahashi '698, Figs. 1-51, discloses a coil formed by printing and laminating half-turn conductors on successive insulation layers. However, such layered structure results in a

coil that is buried inside the composite component. The Takahashi '698 coil is not spirally formed on an external peripheral surface of a component body, wherein the component body is either an insulation body or a magnetic body, as recited in applicants' claims. In fact, Takahashi '698, column 4, lines 56-60, describes the importance of forming a magnetic path through the spiral conductive patterns on the successive layers in a way that prevents magnetic flux circulating through the path from leaking to the outside. The presently claimed invention comprises an electrically conducting coil located on the exterior of the component, which, when operating, inherently forms a magnetic field outside the component. According to Takahashi '698, the Takahashi '698 component differs from the presently claimed component recited in claims 1, 10, 11, 18 and 19. Thus, the structural difference between the Takahashi '698 and the presently claimed invention, i.e., the location of the coils, is not a matter of mere design choice, nor are the two arrangements functionally equivalent.

Applicants' claim 3 recites the spiral axis of the spiral conductor strip being parallel with the electrode layers.

Takahashi '698, Figs. 1-52, shows that a plane of each electrode layer is perpendicular to an axis of the laminated coil. Such an electrode design produces a flow of magnetic flux that is completely different than that produced by the presently claimed component.

For the foregoing reasons, Takahashi '698 fails to disclose all elements of applicant's claimed invention, and therefore is not a proper basis for rejection under §102. And, there is no disclosure or teaching in Takahashi '698 that would have suggested the desirability of modifying any portions thereof effectively to anticipate or suggest applicant's presently claimed invention. Claims 2-9, which depend from claim 1, and claims 12-17, which depend from claim 11, are allowable for the same reasons as claims 1 and 11. Accordingly, reconsideration and withdrawal of this rejection are respectfully requested.

All claims 1-21 are now proper in form and patentably distinguished over all grounds of rejection cited in the Office Action. Accordingly, allowance of all claims 1-21 is respectfully requested.

Should the Examiner deem that any further action by the applicants would be desirable to place this application in even better condition for issue, the Examiner is requested to telephone applicants' undersigned representatives.

Respectfully submitted,

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Date

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Attachment: Version with Markings to Show Changes Made

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